



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 17, 1996

Mr. R. Albert Roensch
President and Chief Executive Officer
Pacific Coast Bankers' Bank (In Organization)
340 Pine Street, Suite 401
San Francisco, CA 94104

Dear Mr. Roensch:

Acting pursuant to authority delegated by the Board, and having considered the record of this application in light of the relevant statutory factors, I have approved the application of Pacific Coast Bankers' Bank (In Organization), San Francisco, California ("Bank"), for membership in the Federal Reserve System and for stock in the Federal Reserve Bank of San Francisco ("Reserve Bank") as a state member bank.

This approval of the application is in reliance on and specifically conditioned on all the facts of record, representations and commitments made by Bank and its affiliates in connection with this application. For purposes of this action, these commitments and conditions are considered conditions imposed in writing by the Board in connection with its findings and decision, and, as such, may be enforced in proceedings under applicable law.

Approval of the application is further subject to the conditions set forth below.

1. Bank at all times shall conduct its business and exercise its powers with due regard to the safety of its depositors, and, except with the permission of the Board of Governors of the Federal Reserve System, Bank shall not cause or permit any change to be made in the general character of its business or in the scope of the corporate power exercised by it at the time of admission to membership.
2. The net capital and surplus funds of Bank shall be adequate in relation to the character and condition of its assets and to its deposit liabilities and other corporate responsibilities.

In connection with the foregoing conditions of membership, particular attention is called to the provisions of the Board's Regulation H (Membership of State Banking Institutions in the Federal Reserve System), with special reference to section 208.7 thereof. A copy of the regulation is enclosed.

Acceptance of the conditions of membership contained in this letter should be evidenced by a resolution adopted by the board of directors and entered into its minutes. Enclosed are two copies of a resolution accepting the conditions of membership, which, when adopted by Bank's board of directors, should be certified and forwarded to the Reserve Bank.

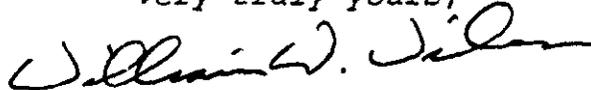
Please make arrangements with the Reserve Bank for the issuance of the appropriate amount of Reserve Bank stock to Bank as a state member bank, upon payment therefor and receipt of the certified copies of the resolution. Issuance of the Reserve Bank stock will formally complete Bank's membership in the Federal Reserve System as a state member bank. The Reserve Bank shall notify you and the Board of Governors to that effect by letter.

This membership approval is subject to Bank's obtaining all other requisite regulatory approvals and being in operation as a state member bank within sixty days of the date of this letter, unless such period is extended by the Board, or by the Reserve Bank acting pursuant to delegated authority. Please advise the Reserve Bank upon consummation of the conversion.

If there is any change in or amendment to Bank's charter, or any change in the general character of its business or the scope of the corporate powers exercised by it, Bank should advise the Reserve Bank and furnish copies of any documents involved, in order that it can be determined whether the change affects Bank's status as a member of the Federal Reserve System.

The Federal Reserve System hopes that Bank will find membership in the System beneficial.

Very truly yours,



William W. Wiles
Secretary of the Board

Enclosures: Regulation H
Resolution (2)

cc: Federal Reserve Bank of San Francisco
California State Banking Department